

23 June 1938

From: Akira KAZAMI, Chief Secretary of the Cabinet

To : Seishiro ITASAKI, War Minister

Notification in compliance with orders. Subject: regarding revision of the plan for regulating the supply and demand of essential materials for Showa 13 (1938) has been decided at the cabinet meeting as follows:

Revision of the plan for regulating the supply and demand of essential materials during Showa 13 (1938). In the plan for regulating the supply and demand of essential materials during Showa 13 (1938) which was decided at the cabinet meeting of 18 January, it was decided that imports shall be ~~3,000,000,000~~ <sup>3,000,000,000</sup> yen and the total sum of imported materials shall be ~~3,000,000,000~~ <sup>3,000,000,000</sup> yen by decreasing both military and domestic demands (excluding Manchuria and Kwangtung province).

On the contrary, since the beginning of this year, the export results have been continuously very inactive. And in comparison with the plan, the results of the first quarter of the year decreased by about 27%, and moreover as the trade of North and Central China is included, the rate of decrease will be more outstanding and will drop to about 33% when that is excluded. (In comparison with the results of last year, a decrease of 32.8%). If this tendency is left alone, exports most probably will not exceed ~~2,000,000,000~~ <sup>1,900,000,000</sup> yen no matter what efforts are made to increase exports. (Excluding Manchuria, Kwangtung province, North and Central China). Supposing that the new products of gold, excess in invisible exports, etc., are realized as prearranged, the import capacity will be about ~~2,000,000,000~~ <sup>2,100,000,000</sup> yen, but according to the results up till now, contrary to that anticipated, invisible imports exceeded that of exports. Therefore, it is rather exaggerated to estimate the maximum of import capacity at ~~2,000,000,000~~ <sup>2,100,000,000</sup> yen. Consequently, although there is no way but to cut down the amount of demand with all efforts by fundamentally revising the first plan of regulating supply and demand, the demand for war munitions as a result of operations to arm and replenish the mobilized force cannot be fulfilled by the primary demand amount. For, rather, war munitions demand is increasing. Therefore, in order to regulate these two cross-demands, there is no other way <sup>than</sup> to strictly control the supply and demand in the home land, and at the same time endeavor to check the increasing war munitions demand.

As to home demand, other than the following imports, as a principle, shall not be recognized.

1. Those to be allotted for military demands and raw materials, materials, machine tools, fuel, etc. which are necessary for production and supply of war munitions.
2. Raw materials and materials for exports.
3. The minimum amount of medicine, fertilizer, etc., which are absolutely necessary for the maintenance of the nation's livelihood.
4. The minimum amount of articles which are necessary for barter trade.

Although a plan for decrease of trade has been established, and at the same time, in regards to munitions, methods to actively utilize substitute materials spontaneously, to appropriate stored goods to mitigate the standard of supplied goods, to call in unnecessary office articles, have been considered, still a total of over 2,730,000,000 yen, including over 130,000,000 yen import from North and Central China, of imports of which Home demand over 1,981,000,000, Army and Navy over 749,000,000, is found necessary. However, in order to supply this sum of imports, it will be necessary to send the greater part of the reserved fund. In this way, in the case of an emergency and the situation becomes worse, it is very difficult to procure arms and other necessary articles because of a lack of capital to procure them. So we have to study the decreasement policy for the amount of demand in the home land, and plan on following points, to postpone the use of the special conserved oil and the compulsory conserved oil, to partially postpone the term of executing bartering contracts, to postpone the production of a part of the machines which are necessary for the development of the strength of production, and to call in materials in the home land.

After considering these measures the total sum of domestic demands which is necessary to be imported was decided at about 1,810,000,000 yen. Consequently the total sum of imports is estimated at about 2,550,000,000 yen in which it is expected that the sum of imports from Central and North China will amount to about 130,000,000 yen and most of them will be imported regardless of exchange relations. If so, we shall be able to overcome this year's crisis.

*the total sum of imports will be estimated at over 2,420,000,000 yen, and.*

In order to keep the sum of imports of the domestic demands within the above said amount, it is necessary to carry out a strict control policy regarding the use of articles in the latter half of the year. Moreover, concurrently many social problems and those of compensation resulting from the breach of contracts must be anticipated. Therefore, in order to relieve these problems, disbursement of new expenditures and other necessary measures shall be taken. In consideration of the above mentioned situation, the most important task at present is to realize the following items which have been decided as quickly as possible.

1. The total sum of imports shall be about 2,550,000,000 yen (about 2,420,000,000 yen excluding Central and North China). Revise the table of contrast of supply and demand and replenishment measures of essential materials (materials' mobilization No. A004) which is contained in the attached document regarding the plan of maintenance of supply of essential materials, that was decided at the cabinet meeting on 13 January, according to the attached document (materials' mobilization No. A008). Furthermore, the detailed amendments of the supply and demand plan as a problem of execution shall be managed within the limits of the total amount of imports, but in case of requiring more imports of raw materials than the prearranged plan on account of an increase of exports, the amount of imports will be adjusted and adapted separately through the consultation of the ministries concerned regardless of the above said total amount of imports.

2. In order to carry out the revised supply and demand plan, each government office shall put into practice, as soon as possible, urgent policies regarding national mobilization as well as adopt measures concerning the control of the use of imports in the home land in accordance with the attached sheet No. 1.

3. Take measures concerning disbursement of expenditure and other necessary measures for the various kinds of compensation problems and unemployment relief which occur as a result of the control of the use of the materials.

4. As to the materials imported according to the revised supply and demand plan, the same shall be managed as quickly as possible by the Materials Adjustment Bureau of the Commerce and Industry Ministry (those not under the jurisdiction of this Bureau by the competent government office) upon communicating with the Exchange Board.

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The attached document (Materials' Mobilization No. A008) will be sent later from the Cabinet Planning Board.

(Attached Sheet No. 1)

Main controlled and prohibited items required to be carried out in connection with the use of materials in the latter half of this year in order to execute the present supply and demand plan except materials for the military.

1. Suspension of construction works which are not immediately necessary for the war, and even those which are at present under construction.

a. Suspension of new construction and reconstruction of government public and business offices and schools.

b. (Suspension of works of the International Exhibition and the Olympics) *Excluded.*

c. Suspension of large-scale construction of department stores, hotels and other big buildings for the purpose of commerce and business, and to control new construction of houses.

d. Suspension and postponement of urgent construction works.

2. Suspension and postponement of rail track work. Suspension and postponement of railway construction and reconstruction except works which need increase of transport capacity for military use and national mobilization.

3. Partial suspension and postponement of construction of ships.

4. Suspension of construction of electric light, electric heat, telephone, gas and water service except those which are necessary for military use and general mobilization.

5. Postponement of the use of the special-conserved oil and the compulsory conserved oil.

6. Enforcement of prohibitive control on articles of domestic demands made from materials which have to be imported.

a. Prohibition of spinning and weaving of cotton except for such special articles as uniforms, exports, sails, sewing thread, and articles which are used for industrial and hygienic purposes. Enforcement of export control on cotton thread and cloth to outer Japan, Manchukuo and North and Central China.

The attached document (Ministerial Mobilization No. A003) will be sent later from the Cabinet Planning Board.

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1. Suspension of construction works which are not immediately necessary for the war, and even those which are at present under construction.

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b. Strict control on the manufacture of woolen articles for domestic demands and for export of the same to Manchukuo and Kwantung province. Prohibition of manufacturing cloth of yellow hemp used for packing in the home land. Prohibition of manufacturing ordinary paper made of Manila hemp. Prohibition of manufacturing cloth and other domestic articles which are made of linen, ramie or hemp.

c. Prohibition of manufacturing bags, shoes and other articles of domestic demand which are made of cowhide, household appliances, daily necessities which need copper, brass, lead, antimony, etc., and rubber shoes and other ordinary articles of domestic demands which need raw gum. Control of manufacturing ordinary paper.

d. Prohibitive restriction on articles of domestic demand other than those mentioned above and which require imported materials for their manufacture.

7. Execution of thorough readjustment of communication system by the suspension of the service of more than half of all automobiles, abolishment of lines parallel with railways, competing lines and the sightseeing buses.

8. Prohibitive restriction of use of petroleum by fishing boats fishing along the coast. Restriction of service of ships using heavy oil and plowing the rivers and coastal sea. Prohibitive restriction of use of heavy oil and volatile oil to works which are not necessary for either the military or the general mobilization point of view.

9. Strict restriction on use of imported fertilizer.

10. Restriction of the use of electric power.

Offices concerned shall mutually consult as to the execution of the above matters.

## CERTIFICATE

W.D.C. No. \_\_\_\_\_

I.P.S. No. Evid. Doc. 9017 (JNIS 52)Statement of Source and Authenticity

I, TAKAHASHI Michitoshi, hereby certify that I am officially connected with the Japanese Government in the following capacity: Secretary of the Cabinet, and that as such official I have custody of the document hereto attached consisting of 10 pages, dated June 23, 1946, and described as follows: Revision of the Plan for Regulating the Supply and Demand of Staple Materials.

I further certify that the attached record and document is an official document of the Japanese Government, and that it is part of the official archives and files of the following named ministry or department (specifying also the file number or citation, if any, or any other official designation of the regular location of the document in the archives or files): Cabinet.

Signed at Tokyo on this  
6th day of July, 1946.

/s/ M. TAKAHASHI  
Signature of Official

SEAL

Witness: R. KURIYAMA /s/

Secretary of the Cabinet  
Official Capacity

Statement of Official Procurement

I, Edward P. Monaghan, hereby certify that I am associated with the General Headquarters of the Supreme Commander for the Allied Powers, and that the above described document was obtained by me from the above signed official of the Japanese Government in the conduct of my official business.

Signed at Tokyo on this  
6th day of July, 1946

/s/ EDWARD P. MONAGHAN  
NAME

Witness: /s/ William C. Front

Investigator IPS  
Official Capacity

W.D.C. No. \_\_\_\_\_ C E R T I F I C A T E

I.P.S. No. Evid. Doc. 9017 (ATIS 58)

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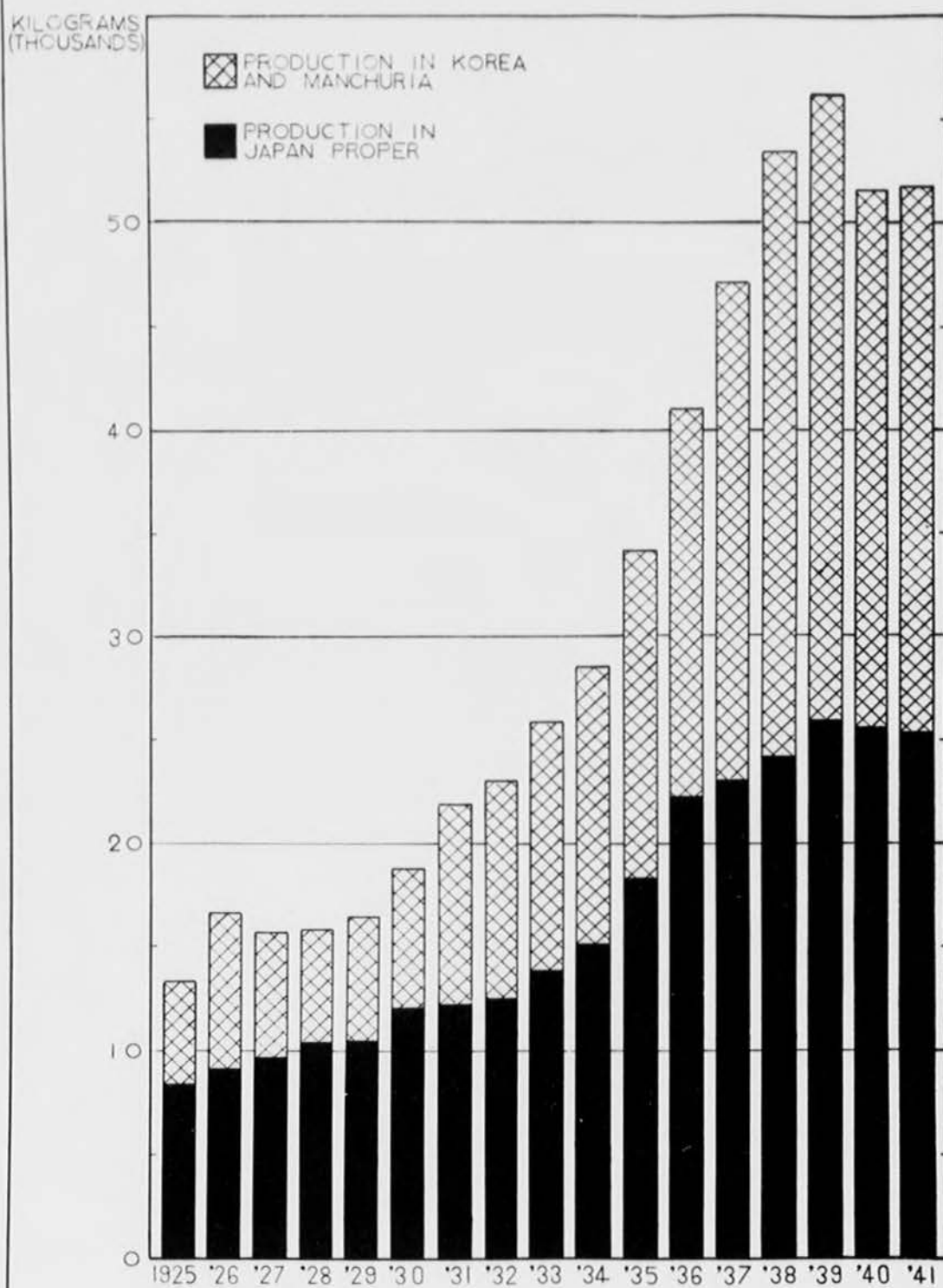
Signed at Tokyo on this  
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/s/ EDWARD P. MONAGHAN  
NAME

Witness: /s/ William C. Froot

Investigator IPS  
Official Capacity

# GOLD PRODUCTION IN JAPANESE EMPIRE. 1925 - 1941



SOURCE : (1) MINISTRY OF COMMERCE AND INDUSTRY  
(2) MINISTRY OF FINANCE